

**Testimony before the Subcommittee on Oversight and Operations of the House
Financial Services Committee:**
The Impact on Tenants of Abuses in the HUD 203(k) Program

Submitted by Glorie Browne
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Good morning, members of the committee, invited guests, tenants of 203(k) buildings and others. Thank you for providing me with this opportunity to address you this morning.

My name is Glorie Browne. I live at 74 West 131st Street here in Harlem. My building is a brownstone rooming house with 13 single room occupancy units, very typical of the vast majority of the Harlem buildings in the 203(k) program. I have lived there for about ten years.

I am here in solidarity with all of my fellow 203(k) neighbors. I am also a tenant in a 203(k) building who has suffered through the injustices of a housing scandal that had nothing to do with housing. It had to do with unscrupulous landlords and money-hungry non-profits that saw opportunities for quick money in buying our buildings, then abandoning them and allowing them to rot. They defrauded a federal loan program and they also committed fraud against unsuspecting tenants like me. Not only did their crimes leave us without responsible landlords, it also left us with no heat and hot water last winter, leaky ceilings, damaged walls, broken boilers, shaky building infrastructures and no hope. Up to two years after the news of this scandal broke some tenants are still without basic building services.

Almost 200 brownstones in Harlem are caught up in this mess. About 160 of those buildings -- about 85% -- are SRO rooming houses that should never have been in the 203(k) program to begin with. Around 65 of those buildings are currently occupied, by as many as 600 tenants. My story is similar to many 203(k) tenants' stories. My building has never been a palace but my neighbors and I call it home. After the so-called non-profit Beulah Church of God bought the building in 1999, my neighbors and I found ourselves without heat and other basic services. In fact, the first act of the new owners was to shut down the boiler -- in the middle of winter! When we finally went to court to force Beulah to maintain the building, no one from the landlord showed up and the court order we got ordering the landlord to make repairs was never complied with. For over a year there was no garbage pick-up, no repairs made to the very leaky skylight or the broken pipes or the uneven front steps. The gas and electricity were shut off at least once, and the water was shut off a few times,

forcing my neighbors and me to wash with bottled water. An inspection last year found 94 violations of the city's housing maintenance code in the public areas alone.

The landlords that committed these crimes were using HUD loan money, money that was supposed to go into rehabilitating buildings. Instead the money disappeared along with the landlords. Now as the scandal continues to unravel we tenants are bearing this huge burden. HUD has finally agreed to take responsibility for maintaining many of the occupied buildings in the program, while others, like mine, have gone to court to get an administrator appointed by the city to run the buildings. What we are most worried about now is the threat that new owners, whether they are private owner-occupiers, not-for-profit groups, or "entrepreneurs" looking for properties to "flip," may try to displace the existing tenants from our buildings or to raise rents beyond what we can afford.

But my intention today is not to tell a story of hopelessness. NO! I am here as a representative of 203(k) tenants with a strong message of hope and self-determination. We are survivors; we are longstanding Harlem tenants ready to reclaim our homes and our community. We are speaking out for the preservation of affordable housing in Harlem. We are standing up for the preservation of our own homes, and we demand to be included in any discussions about their future. We demand full repairs and services in our buildings now. We want legally enforceable assurances from HUD, the city's Department of Housing Preservation and Development and other appropriate parties that no tenants will be displaced when the buildings are finally disposed of. We want guarantees of affordable rents. And we want substantial opportunities to explore the possibility of bringing some of our buildings under tenant ownership and/or control, through mutual housing associations, limited-equity co-ops, or other mechanisms for tenant involvement.

Our demands are not unique. They are the demands of many low-income tenants in this city. I am here as a spokesperson for 203(k) tenants, and we say: We will do everything we must in order to save our homes. We are here to stay!

Thank you and God bless you all.